

1 JS-6  
2  
3  
4  
5

6  
7 **UNITED STATES DISTRICT COURT**  
8 **CENTRAL DISTRICT OF CALIFORNIA**  
9  
10

11 SECURITIES AND EXCHANGE  
12 COMMISSION,  
13

14 Plaintiff,

15 Case No. 2:24-cv-09082

16 vs.  
17

18 RYAN CHOI,  
19

20 Defendant.  
21

22 **JUDGMENT AS TO DEFENDANT RYAN CHOI**

23 The Securities and Exchange Commission having filed a Complaint and  
24 Defendant Ryan Choi (“Defendant”) having entered a general appearance; consented  
25 to the Court’s jurisdiction over Defendant and the subject matter of this action;  
26 consented to entry of this Judgment without admitting or denying the allegations of  
27 the Complaint (except as to jurisdiction and except as otherwise provided herein in  
section V); waived findings of fact and conclusions of law; and waived any right to  
appeal from this Judgment:

28 I.

29 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
30 permanently restrained and enjoined from violating Section 17(a)(3) of the Securities  
31 Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)(3)] in the offer or sale of any  
32 security by the use of any means or instruments of transportation or communication  
33 in interstate commerce or by use of the mails, directly or indirectly:  
34

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor to buy or sell securities of any company.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$1,647,217.00, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$64,818.00, and a civil penalty in the amount of \$115,231.00 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d). Defendant shall satisfy this obligation by paying \$1,827,266 to the Securities and Exchange Commission pursuant to the terms of the payment schedule set forth in section III below.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

1 Accounts Receivable Branch

2 6500 South MacArthur Boulevard

3 Oklahoma City, OK 73169

4 and shall be accompanied by a letter identifying the case title, civil action  
5 number, and name of this Court; Ryan Choi as a defendant in this action; and  
6 specifying that payment is made pursuant to this Final Judgment.

7 Defendant shall simultaneously transmit photocopies of evidence of payment  
8 and case identifying information to the Commission's counsel in this action. By  
9 making this payment, Defendant relinquishes all legal and equitable right, title, and  
10 interest in such funds and no part of the funds shall be returned to Defendant.

11 The Commission may enforce the Court's judgment for disgorgement and  
12 prejudgment interest by using all collection procedures authorized by law, including,  
13 but not limited to, moving for civil contempt at any time after 30 days following entry  
14 of this Final Judgment.

15 The Commission may enforce the Court's judgment for penalties by the use of  
16 all collection procedures authorized by law, including the Federal Debt Collection  
17 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the  
18 violation of any Court orders issued in this action. Defendant shall pay post  
19 judgment interest on any amounts due after 30 days of the entry of this Final  
20 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,  
21 together with any interest and income earned thereon (collectively, the "Fund"),  
22 pending further order of the Court.

23 The Commission may propose a plan to distribute the Fund subject to the  
24 Court's approval. Such a plan may provide that the Fund shall be distributed  
25 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of  
26 2002. The Court shall retain jurisdiction over the administration of any distribution  
27 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

28 Regardless of whether any such Fair Fund distribution is made, amounts

1 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as  
2 penalties paid to the government for all purposes, including all tax purposes. To  
3 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or  
4 reduction of any award of compensatory damages in any Related Investor Action  
5 based on Defendant's payment of disgorgement in this action, argue that he is entitled  
6 to, nor shall he further benefit by, offset or reduction of such compensatory damages  
7 award by the amount of any part of Defendant's payment of a civil penalty in this  
8 action ("Penalty Offset"). If the court in any Related Investor Action grants such a  
9 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting  
10 the Penalty Offset, notify the Commission's counsel in this action and pay the amount  
11 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the  
12 Commission directs. Such a payment shall not be deemed an additional civil penalty  
13 and shall not be deemed to change the amount of the civil penalty imposed in this  
14 Judgment. For purposes of this paragraph, a "Related Investor Action" means a  
15 private damages action brought against Defendant by or on behalf of one or more  
16 investors based on substantially the same facts as alleged in the Complaint in this  
17 action.

18 III.

19 Defendant shall pay the total of disgorgement, prejudgment interest, and  
20 penalty due of \$1,827,266 in four installments to the Commission according to the  
21 following schedule: (1) \$200,000 within 30 days of entry of this Final Judgment; (2)  
22 \$542,422 within 120 days of the entry of this Final Judgment; (3) \$542,422 within  
23 240 days of the entry of this Final Judgment; and (4) \$542,422 within 365 days of the  
24 entry of this Final Judgment. Payments shall be deemed made on the date they are  
25 received by the Commission and shall be applied first to post judgment interest,  
26 which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 30 days  
27 of the entry of Final Judgment. Prior to making the final payment set forth herein,  
28 Defendant shall contact the staff of the Commission for the amount due for the final

1 payment.

2 If Defendant fails to make any payment by the date agreed and/or in the  
3 amount agreed according to the schedule set forth above, all outstanding payments  
4 under this Final Judgment, including post-judgment interest, minus any payments  
5 made, shall become due and payable immediately at the discretion of the staff of the  
6 Commission without further application to the Court.

7 IV.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
9 Consent is incorporated herein with the same force and effect as if fully set forth  
10 herein, and that Defendant shall comply with all of the undertakings and agreements  
11 set forth therein.

12 V.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
14 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,  
15 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,  
16 and further, any debt for disgorgement, prejudgment interest, civil penalty or other  
17 amounts due by Defendant under this Judgment or any other judgment, order, consent  
18 order, decree or settlement agreement entered in connection with this proceeding, is a  
19 debt for the violation by Defendant of the federal securities laws or any regulation or  
20 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy  
21 Code, 11 U.S.C. §523(a)(19).

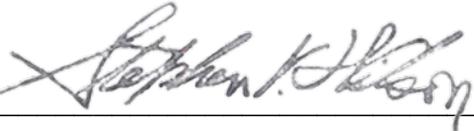
22 VI.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court  
24 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this  
25 Judgment.

1 VII.  
2  
3  
4

5 There being no just reason for delay, pursuant to Rule 54(b) of the Federal  
6 Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and  
7 without further notice.  
8

9 Dated: January 24, 2025,  
10

11   
12

13 UNITED STATES DISTRICT JUDGE  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 **PROOF OF SERVICE**

2 I am over the age of 18 years and not a party to this action. My business address is:

3 U.S. SECURITIES AND EXCHANGE COMMISSION,  
4 444 S. Flower Street, Suite 900, Los Angeles, California 90071  
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

5 On October 22, 2024, I caused to be served the document entitled **[PROPOSED]**  
6 **JUDGMENT AS TO DEFENDANT RYAN CHOI** on all the parties to this  
action addressed as stated on the attached service list:

7  **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for  
8 collection and mailing today following ordinary business practices. I am readily  
familiar with this agency's practice for collection and processing of  
9 correspondence for mailing; such correspondence would be deposited with the  
U.S. Postal Service on the same day in the ordinary course of business.

10  **PERSONAL DEPOSIT IN MAIL:** By placing in sealed  
11 envelope(s), which I personally deposited with the U.S. Postal Service. Each such  
envelope was deposited with the U.S. Postal Service at Los Angeles, California,  
with first class postage thereon fully prepaid.

12  **EXPRESS U.S. MAIL:** Each such envelope was deposited in a  
13 facility regularly maintained at the U.S. Postal Service for receipt of Express Mail  
at Los Angeles, California, with Express Mail postage paid.

14  **HAND DELIVERY:** I caused to be hand delivered each such envelope to  
15 the office of the addressee as stated on the attached service list.

16  **UNITED PARCEL SERVICE:** By placing in sealed envelope(s)  
17 designated by United Parcel Service ("UPS") with delivery fees paid or provided  
for, which I deposited in a facility regularly maintained by UPS or delivered to a  
18 UPS courier, at Los Angeles, California.

19  **ELECTRONIC MAIL:** By transmitting the document by electronic mail  
to the electronic mail address as stated on the attached service list.

20  **E-FILING:** By causing the document to be electronically filed via the  
21 Court's CM/ECF system, which effects electronic service on counsel who are  
registered with the CM/ECF system.

22  **FAX:** By transmitting the document by facsimile transmission. The  
transmission was reported as complete and without error.

24 I declare under penalty of perjury that the foregoing is true and correct.

25 Date: October 22, 2024

*/s/ Stephen T. Kam*

26 Stephen T. Kam

**SEC v. Ryan Choi**  
**United States District Court—Central District of California**  
**Case No. 2:24-cv-09082**

## **SERVICE LIST**

Patrick F. Stokes  
Gibson, Dunn & Crutcher LLP  
1050 Connecticut Avenue, N.W.  
Washington, DC 20036-5306

John W. Berry  
Munger, Tolles, & Olson LLP  
350 South Grand Ave, 50<sup>th</sup> Floor  
Los Angeles, CA 90071

## Attorneys for Defendant